

Bell Atlantic
1300 I Street N.W.
Suite 400W
Washington, D.C. 20005

October 8, 1998

RECEIVED

OCT - 8 1998



Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
1919 M Street, N.W., Rm. 222
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

**Re: Request for Limited Modification of LATA Boundaries to Provide ELCS
Between Bell Atlantic – Pennsylvania's Cherry Tree Exchange Area (Altoona 230
LATA) and the Clymer Exchange Area (Pittsburgh 234 LATA); CC Docket No. 96-
159**

Dear Ms. Salas:

Bell Atlantic – Pennsylvania, Inc., hereby submits this request for a LATA boundary modification to provide Expanded Local Calling Service (ELCS) between its Cherry Tree Exchange (Pennsylvania-Altoona 230 LATA) and Clymer Exchange Area (Pennsylvania-Pittsburgh 234 LATA).

In its order released July 15, 1997¹ ("Order"), the Commission established an ongoing process for requesting LATA boundary modifications to provide ELCS. This request is filed pursuant to the provisions contained in that order. Attached please find the support documentation required by the Commission to approve the requested modification.

Should you have any questions regarding this material, please do not hesitate to contact me 202-336-7875 .

Sincerely,

A handwritten signature in cursive script, reading "Tracy K. Chaney".

Attachment

cc: G. Matisé
A. Thomas
Mr. James J. McNulty, Secretary
Pennsylvania Public Utility Commission

¹ "In the Matter of Petitions for Limited Modification of LATA Boundaries to Provide Expanded Local Calling Service (ELCS) at Various Locations", CC Docket No. 96-159, released July 15, 1997.

No. of Copies rec'd
List ABCDE

021

Bell Atlantic - Pennsylvania, Inc.

**Request for Limited Modification of LATA Boundaries to Provide
Expanded Local Calling Service (ELCS) Between the Cherry Tree Exchange Area
(Altoona 230 LATA) and the Clymer Exchange Area (Pittsburgh 234 LATA)**

(1) Type Of Service(s):

Any available Residence Local Usage Options (Budget Usage Option, Local Area Standard Usage Package, Local Area Unlimited Usage Package and the Hometown-Plus Usage Option). Available optional Business Local Usage Options (Budget Usage Option, Local Area Standard Usage Package, Local Area Business Valu-Pak Option, and the existing customer "grandfathered" Local Area Unlimited Usage Package).

(2) Direction of Service:

One-way ELCS (Cherry Tree -to- Clymer).

(3) Exchanges Involved:

Bell Atlantic - Pennsylvania, Inc., Cherry Tree Exchange Area (Pennsylvania-Altoona 230 LATA) and Bell Atlantic - Pennsylvania, Inc., Clymer Exchange Area (Pennsylvania-Pittsburgh 234 LATA).

(4) Name of Carriers:

Presently, Bell Atlantic - Pennsylvania, Inc. is the local exchange carrier providing local service in the Cherry Tree Exchange Area and Clymer Exchange Area. However, as of May 29, 1998, there were 51 Competitive Local Exchange Carriers (CLECs) with Pennsylvania Public Utility Commission - Certificates of Public Convince (with an additional 44 CLEC's pending Commission certification) who could choose to provide local exchange service in the Cherry Tree Exchange Area or Clymer Exchange Area.

(5) State Commission Approval:

Attachment A is a copy of the Pennsylvania Public Utility Commission's Order in Docket No. L-920069, entered March 17, 1993 which made several modifications to the Commission's existing Extended Area Service (EAS) Regulations. One of the Commission EAS regulation modifications involved the criteria and procedures related to: 1) the development of interLATA EAS toll studies using calling data supplied to the Local Exchange Carrier by the major serving Interexchange Carriers (IXCs); 2) the use of the IXC usage study data to establish interLATA EAS calling options; 3) the requirement for Local Exchange Carriers to seek antitrust waivers when necessary to implement interLATA EAS. In compliance with the Commission's EAS Regulations (63.72 Traffic Usage Studies, see Attachment B), Bell Atlantic - Pennsylvania, Inc., filed its 1997 IntraLATA and InterLATA Traffic Usage Study with the Pennsylvania Public Utility Commission on

November 17, 1997. As indicated in our Traffic Usage Study, the Cherry Tree Exchange Area currently qualifies for one-way interLATA EAS to the Clymer Exchange Area.

(6) Number of Access Lines or Customers:

<u>Exchange</u>	<u># Residence Lines</u>	<u># Business Lines</u>	<u>Total Lines</u>
Cherry Tree	929	125	1,054

(7) Usage Data (1997 EAS Traffic Usage Study):

<u>Exchange</u>	<u>Mileage</u>	<u>Contiguous</u>	<u>Monthly Average Messages Per Line</u>
Cherry Tree to Clymer	11.5	Yes	7.20

(8) Poll Results:

In accordance with the Pennsylvania Public Utility Commission's EAS Regulations, no Cherry Tree to Clymer Exchange Area customer polling was required since the Cherry Tree Exchange Area local service rates will not change due to the addition of Clymer to the Cherry Tree local calling area.

Cherry Tree Exchange Area: Dial Tone Line Cell 4/Usage Rate Group B

A. Monthly Rate: Residence Dial Tone Line for Cell 4

1. Individual with Touch Tone, each = \$ 5.68
2. Individual with Rotary, each = \$ 4.75
3. Two-Party with Touch Tone, each = \$ 4.48
4. Two-Party with Rotary, each = \$ 3.55

B. Monthly Rate: Business Dial Tone Line for Cell 4

1. Individual with Touch Tone, each = \$ 17.73
2. Multi-Line with Touch Tone, each = \$ 15.63

C. Monthly Rate: Available Residence Optional Local Usage Packages (URG B)

1. Budget Usage Option, each = \$ 0.00 (\$.25 Local Calling Allowance)
2. Local Area Standard Usage Option, each = \$ 2.60 (\$4.00 Local Calling Allowance)
3. Local Area Unlimited Usage Option, each = \$ 3.80
4. Hometown-Plus Usage Option (one toll route), each = \$ 5.50
5. Hometown-Plus Usage Option (two toll routes), each = \$ 7.65

D. Monthly Rate: Available Business Optional Local Usage Packages (URG B)

1. Budget Usage Option, each = \$0.00 (rated per each local call)
2. Local Area Standard Usage Package Option, each = \$ 6.90 (\$8.00 Local Calling Allowance)
3. Local Area Valu-Pak Usage Option, each = \$ 9.20 (\$12.00 Local Calling Allowance)
4. Local Area Unlimited Usage Package Option, each = \$ 10.70 (Grandfathered Offering)

(9) Community of Interest Statement:

The Pennsylvania Public Utility Commission addressed the "community of interest" calling issues as part of its formal investigation to modify the EAS Regulations in Order Docket No. L-920069, entered March 17, 1993 (see Attachment A).

(10) Map:

Attachment C is a Bell Atlantic - Pennsylvania, Inc., statewide multi-LATA map which shows the location and distance (V/H Rate Center Mileage 11.5 miles) between the Cherry Tree and Clymer Exchange Areas.

(11) Other Pertinent Information:

No additional information available.

List of Attachments:

- A = PUC's Order in Docket No. L-920069, entered March 17, 1993.**
- B = PUC's Existing EAS Regulation 63.72 "Traffic Usage Studies".**
- C = Bell Atlantic - PA Statewide LATA Map (showing Cherry Tree and Clymer Exchange Areas in relation to the existing LATA boundary).**

Bell Atlantic - Pennsylvania, Inc.

**Request for Limited Modification of LATA Boundaries to Provide
Expanded Local Calling Service (ELCS) Between the Cherry Tree Exchange Area
(Altoona 230 LATA) and the Clymer Exchange Area (Pittsburgh 234 LATA)**

Attachment A.

**Pennsylvania Public Utility Commission Order in
Docket No. L-920069, Entered March 17, 1993**

PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17105-3265

Public Meeting held March 11, 1993

Commissioners Present:

David W. Rolka, Chairman
Joseph Rhodes, Jr., Vice Chairman
Wendell F. Holland, Commissioner

Proposed Rulemaking Regarding Amendment
of Extended Area Service Regulations;
Final Order

Docket No.
L-920069

O R D E R

BY THE COMMISSION:

A. Procedural Background

On January 6, 1989, the Commission entered a final order promulgating extended area service (EAS) regulations. The regulations are now codified at 52 Pa. Code §§63.71-63.77. The regulations establish procedures for the following: (1) filing of traffic usage studies by local exchange carriers (LECs) to determine if usage justifies expansion of an exchange's local calling area; (2) implementation of discount or optional calling plans (OCPs) and expansion of local calling areas where required usage standards are met; (3) conducting of subscriber polls of exchanges qualifying for EAS to determine if a majority of customers desire that another exchange be included in the local calling area for an associated increase in the basic monthly service charge and (4) evaluation of EAS complaints.

Through promulgation of the regulations, the Commission commenced a state-wide EAS program designed to revise and expand local calling areas when justified by calling usage. We initially determined that the EAS program should only apply to contiguous exchanges although we required LECs to submit usage surveys for all non-contiguous exchanges with toll rate centers within 16 miles of each other. We further determined that EAS should be implemented on a one-way basis unless usage flowing each way between two exchanges satisfied the relevant call-frequency standards.

The traffic usage studies were required to be filed by the LECs every two years. The first round of traffic usage studies were due and were generally received by the Commission in the fall of 1989. Upon receipt of the studies, we commenced the time consuming and difficult process of reviewing the studies, enforcing the implementation of EAS and OCPs and generally administering the EAS program.

During this implementation process it became clear that the EAS program should be expanded. Accordingly, by order entered November 20, 1990 at Docket No. L-900056, the Commission instituted an abbreviated rulemaking proceeding to amend the regulations so as to expand the EAS program to include non-contiguous exchanges under certain limited circumstances.

Following review and consideration of input by the Independent Regulatory Review Commission (IRRC), by order entered March 15, 1992, the Commission promulgated final regulations expanding the EAS program so as to include qualified non-contiguous

exchanges where, although the exchanges did not border one another, the local calling area of the calling exchange bordered the receiving exchange.¹ The amendments to the regulations became effective on May 18, 1991 and were applicable to the second round of LEC traffic usage studies which were due by October 1, 1991.

During review and implementation of the second round of studies, it became clear that procedures had to be established and refined to implement EAS and OCPs, when warranted, between exchanges divided by a LATA boundary (interLATA EAS). It was these interLATA EAS issues, among other general rate issues, which prompted the Commission to enter an order on October 23, 1991 at R-901719 and C-892556 instituting a generic investigation at I-910010 into the provision of interLATA toll service. In instituting the generic investigation we concluded as follows:

We are of the opinion that a grave problem exists concerning the provision of interLATA toll service, the level of interLATA toll rates and the manner in which our Extended Area Service and Optional Calling Plan regulations should apply to this scenario. Therefore, we shall initiate a generic investigation to determine a more economic procedure for the provisioning of interLATA toll service.

Examination of the implementation of interLATA EAS and OCPs as they relate to decreasing interLATA rates for certain routes was included as one of the issues of the investigation. However, the primary objective of the investigation is to determine

¹ This situation occurred when a calling exchange already had EAS to all intervening exchanges between the calling exchange and the receiving exchange.

a mechanism for decreasing the level of interLATA rates, particularly interLATA rates for low mileage routes.

The generic interLATA investigation was assigned to the Office of Administrative Law Judge and is being presided over by ALJ Herbert S. Cohen. On January 29, 1992, ALJ Cohen issued an Order Certifying a Material Question requesting the Commission to answer questions regarding the scope of the generic investigation. On June 2, 1992, the Commission entered an order which answered ALJ Cohen's questions and in doing so determined that all interLATA EAS and OCP issues should be removed from the generic investigation. In reaching the decision, we determined that the EAS issues were more properly addressed within the context of a rulemaking proceeding.

On August 27, 1992, the Commission entered an order at the instant docket instituting a proposed rulemaking to establish and refine procedures related to interLATA EAS. The proposed regulations required LECs to prepare interLATA traffic studies utilizing traffic data of the presubscription interexchange carriers (PICs) in a given exchange. PICs were required to supplement and provide their traffic data to the extent that the data had not already been provided to LECs for billing purposes. Further, the proposed regulation switched responsibility for the offering and provision of interLATA OCPs from the LECs to the PICs, required affected LECs to seek antitrust waivers when necessary to implement interLATA EAS, eliminated a requirement of subscriber request prior to an EAS polling, established a 60-day time deadline

to commence polling and required tariff filings for EAS rate bands where rate bands are not already included in an LEC's rate design.

The proposed regulations were approved by the Office of Attorney General and were published in the Pennsylvania Bulletin on December 5, 1992 at 22 Pa.B. 5768. Comments were filed by AT&T Communications of Pennsylvania, Inc. (AT&T), the Office of Consumer Advocate (OCA), the Pennsylvania Telephone Association (PTA), MCI Telecommunications Corporation (MCI), ALLTEL Pennsylvania Inc. (ALLTEL), The Bell Telephone Company of Pennsylvania (Bell), Commonwealth Telephone Company (Commonwealth), GTE North, Inc. (GTE), the Honorable Clarence D. Bell, the House Consumer Affairs Committee and IRRC.

We have reviewed each set of comments carefully and, based on the comments, will adopt certain modifications to our proposed regulations which we believe improve interLATA EAS procedures and other general EAS requirements. Each modification is specifically discussed below.

B. Discussion of Comments to Proposed Regulation

1. Content of InterLATA Data

The proposed rules required the traffic of all presubscription interexchange carriers (PICs) to be included in the interLATA component of the biennial studies. PTA, Bell, Commonwealth, GTE and IRRC commented that because of the large number of PICs operating in a given exchange, collecting the data of all PICs in compiling data for the study was overly burdensome. The commentators request the Commission to restrict the collection

of interLATA data to the five largest interexchange carriers in a given LEC service territory. The five largest carriers would be identified from review of access charge levels.

We agree with the commentators that collecting data from every PIC would be time consuming and costly. Furthermore, restricting data for the traffic to the five largest IXCs in a service territory would still include over 99% of the total traffic in most if not all cases. Therefore, the proposed change is not inconsistent with our strong interest in assuring the comprehensiveness of the studies and maintains the integrity of the EAS and OCP standards which were developed based on the assumption of a comprehensive study. Accordingly, we will modify the final regulations so as to only include traffic data from the five largest interexchange carriers in a LEC service territory in the interLATA component of the biennial usage study. The change is accomplished by eliminating from Section 63.71 of the proposed regulations the definition of "presubscription interexchange carrier" and replacing it with a definition of "traffic study interexchange carriers."

2. Conduct of InterLATA Study

As proposed, the LECs will prepare the EAS studies and submit to the Commission the resulting report. The "traffic study IXCs" will assist the LECs in completing the interLATA component of the study. The LEC commentators (PTA, Bell, ALLTEL, Commonwealth and GTE) propose that a new Section 63.72a be promulgated which expressly and with great specificity sets forth

the procedures regarding conduct of the interLATA component of the studies. The system proposed by the LEC commentators is not inconsistent with our proposed regulations at Section 63.72 but provides for much greater detail regarding implementation. The significant aspects of the LEC commentators' proposal are as follows:

- a) By January 31 of each study year, each LEC would identify and notify each IXC of the LECs format for collection of interLATA data and the representative month which will be studied.
- b) Each LEC would collect and analyze the relevant traffic data of the participating interexchange carriers which the LEC possesses pursuant to a "full billing and collection agreement" with a given IXC. A full billing and collection agreement is one in which the LEC provides billing functions for the interexchange carrier as the presubscribed carrier.
- c) Each participating IXC would collect, analyze and submit to the LEC relevant traffic data for the representative month of all traffic which is not billed pursuant to a full billing and collection agreement with a given LEC. The data would be submitted to the LEC no later than June 1 of each study year.
- d) Each LEC would aggregate the data submitted by IXCs with the data it possesses for each interLATA route included in the study. The aggregate results would then be included by the LEC in the interLATA component of its biennial EAS study and corresponding report.

The LEC proposal for specific implementation of the conduct of interLATA EAS studies is reasonable and sound. Furthermore, greater specificity in the regulations will help assure proper and timely conduct of the traffic studies. Accordingly, we will adopt the LEC proposal by deleting the proposed language in Section 63.72 addressing interLATA traffic and

adding a new section (Section 63.72a) establishing the above described procedures. A definition of "full billing and collection agreement" is also added to Section 63.71 for purposes of clarification.

AT&T and MCI commented that they should not be required to submit any data to the LECs. They state that they do not store their traffic data by exchange and that therefore, providing supplementary data to the LEC would be time consuming and costly. More specifically, AT&T argues that since many of their services to high volume customers for which it bills involve "postalized" pricing which does not require the recording of route detail information, AT&T's billing system(s) would have to be significantly modified to comply with the regulation.

To adopt AT&T and MCI's position in this regard would significantly detract from the integrity and completeness of the interLATA component of the traffic studies. Furthermore, although each commentator alleges that complying with the regulations would be expensive, neither IXC has identified the estimated cost for our consideration. Clearly, the preparation of EAS traffic studies has and will continue to involve expense on the part of LECs. It is reasonable to require IXCs to share in this burden as a cost of doing business in this Commonwealth.

It appears true that services which involve "postalized" pricing may cause more difficulty to the IXCs in assembling the data. However, to delete this traffic from the interLATA component of the traffic usage study would significantly detract from the

comprehensiveness of the study. Since the EAS standards were designed to apply to a comprehensive study, to delete significant amounts of data can be expected to skew the results. Furthermore, while presently "postalized" priced traffic volumes may be relatively small, since costs involving the provision of interexchange service are becoming less and less distance sensitive, the amount of "postalized" priced traffic can be expected to increase, threatening the integrity of the traffic studies in the future if omitted.

To address this situation, IRRC suggests that the studies initially be conducted without data involving traffic which has "postalized" pricing. Only if a certain interLATA route is close to qualifying for EAS would the IXC be required to submit data for "postalized" traffic.

While the IRRC suggestion is reasonable, it would further complicate conduct of the study and would require the establishment of additional standards for IXC follow-up studies. Instead, to address the "postalized" traffic issue, we will add subsection 63.72a(c)(5) which expressly permits a participating IXC to file a petition requesting waiver of the submission of data relating to "postalized" traffic. Each waiver petition shall identify the estimated costs of submitting the data and the relative amount of traffic involved. The Commission will grant waiver upon a finding that the cost to the IXC outweighs the value of the data to the study.

3. Optional Calling Plans

As proposed, it is appropriate to require IXCs to offer OCPs for interLATA routes which qualify pursuant to the traffic usage studies. The proposed regulations allow an IXC to fulfill the OCP requirement by offering its existing primary message toll service discount program to routes which qualify for OCP pursuant to the traffic studies. OCA and IRRC comment that existing IXC discount programs do not provide meaningful savings for short haul calls and that to the extent savings are available the savings are primarily provided during evening and nighttime hours while most community of interest calling takes place during daytime hours.

We agree with OCA and IRRC at least to the extent that upon review it appears inappropriate to predetermine under the regulation the acceptability of existing discount programs for interLATA OCP purposes. Therefore, as with LEC OCPs, through amendment of Section 63.73(c) and (e), we will require that each traffic study IXC file a tariff supplement for Commission review which establishes a discount program for interLATA routes which qualify for an OCP under these regulations. The OCP shall apply to business and residential customers. In reviewing these tariff supplements the Commission will only allow a tariff supplement to become effective if it offers meaningful savings for community of interest type calling and at the same time is priced at or above cost.

Proposed Section 63.74(f) addresses Commission review of the pricing of LEC billing and collection services for OCPs

required by these regulations. IRRC comments that the proposed rule is ambiguous and suggests revising the section so as to allow IXCs to petition for review of OCP billing and collection arrangements. We agree with IRRC's evaluation of proposed Section 63.74(f), but note that the IXCs may petition the Commission with or without a regulation. Accordingly, proposed Section 63.74(f) will be deleted from our final rules.

4. InterLATA EAS and OCP Standards

In our proposed regulations, we retained the same usage standards for implementation of EAS and OCP for interLATA routes as are currently in place for intraLATA routes. Under this standard, a route qualifies for an OCP when a traffic study reveals an average monthly calling frequency of 2.00 or more calls per access line and where at least 25% of the access lines have been used to place 1.00 or more calls per month over the route. 52 Pa. Code §63.73. A route qualifies for EAS when a study reveals an average monthly calling frequency of 5.50 or more calls per access line and where at least 50% of the access lines place 1.00 or more calls over the route. 52 Pa. Code §63.74. Accordingly, under present regulations, a route must qualify under two separate criteria for both EAS and OCP implementation.

PTA comments that the Commission should, for practical reasons, delete the second criterion, regarding the percentage of access lines placing one or more calls, from application to the interLATA component of the traffic studies. Under the PTA proposal, an interLATA route would qualify for an OCP if a study

revealed an average monthly calling frequency of 2.00 or more calls per access line and for EAS with an average monthly calling frequency of 5.50 or more calls per access line.

Upon consideration, we find the PTA proposal has merit. Clearly, the collection and aggregation of interLATA traffic data is more cumbersome than for intraLATA data because the data is being collected by both LECs and IXCs. Eliminating the second criterion would relieve both LECs and IXCs from tracking usage down to the access line, and would allow the data to be collected merely by measuring the total usage over an interLATA route divided by the total number of access lines in the exchange served by participating IXCs. Data relating to access lines billed under full billing and collection agreements would merely have to be aggregated with access lines not billed under a full billing and collection agreement.

Certainly, elimination of the second criterion for interLATA routes would significantly reduce the time and costs to both LECs and IXCs in preparing the interLATA component of the traffic studies. Moreover, review of prior traffic studies reveals that instances where a route qualifies for either EAS or OCP under one criterion and not the other are very rare. Accordingly, amending Sections 63.73(c) and 63.74(1) so as to eliminate the second criterion as to interLATA EAS will not detract from the integrity of the EAS/OCP program.

PTA further comments that in cases where an interLATA route qualifies for EAS and service is transferred from the IXC to

the LEC, the Commission should add a regulation which requires that IXCs offer to lease facilities to the LEC to carry the traffic at discounted rates. Although we support the LECs' efforts to minimize the cost of implementing EAS over a given route we will refrain from promulgating regulatory language which requires discounting an IXC's services. Any such action, if appropriate, is more properly achieved through the tariff review process.

5. Confidentiality of Content of Studies

In Section 63.72 of our proposed regulations, we recognized that the biennial usage studies contain confidential information and should be recognized as proprietary; however, we expressly stated in our order that the Commission would release, upon request, usage data on a route specific basis. This procedure reflects the Commission's historical policy balancing the LECs' desire for confidentiality of the actual report and the need for customers to secure data for a specific route over which there is an interest in OCP or EAS.

The LEC commentators argue that both the traffic study and the route specific contents of the traffic study contain proprietary information which could be unfairly used by competitors and should not be released by the Commission to the public under any circumstances. OCA takes the position that neither the report nor its content should be confidential because they involve information which is necessary to disclose to the public. The IRRC recommends that the Commission only disclose whether a given route qualifies under EAS or OCP standards.

As indicated previously, since the outset of the EAS program, the Commission has viewed the traffic studies as proprietary but has released the results of the studies on a route specific basis. The Commission gets frequent requests for route specific information not only from interested customers but from legislators and other customer representatives. Never, to the Commission's knowledge, has a LEC competitor attempted to secure information from route specific data inquiries. Certainly the Commission will make every attempt to prevent EAS study information from being released to LEC competitors. However, it would be unfair to customers desiring to know the exact status of a given route to further restrict access to route specific information for a public program like EAS. Experience dictates that merely disclosing whether a route qualifies will not satisfy a customer, legislator or other customer representative. Accordingly, we will retain, as proposed, our present policy regarding the confidentiality of traffic studies and their contents and will clarify the policy in Section 63.72.

6. Rate Bands

Proposed Section 63.75 requires LECs to utilize rate bands for at least EAS purposes. The section also proposes to codify the Commission's historical practice, reflected in rate band rate design, that increases for local service reflect only those costs directly related to the increased number of telephones to which toll free calls can be made.

PTA objects to the rate band requirement and to the codification of the Commission's policy on the basis that it is onerous to small LECs. PTA cites instances where the Commission considered other factors than the increased number of telephones in determining increased local rates resulting from extending the local calling area. IRRC adopts the PTA's concerns.

Although we continue to believe that rate bands are the most reliable method for administering EAS and do not intend to depart from our traditional EAS ratemaking policies, we do recognize that there may be advantages to the flexibility provided through a case-by-case analysis. Accordingly, we will delete the language in proposed Section 63.75 objected to by the PTA and IRRC.

7. Federal Antitrust Waivers

Subsection 63.75(6) of the proposed regulation requires Bell and GTE to apply for waiver of federal antitrust restrictions when necessary to implement interLATA EAS. The regulation requires the application to be filed within 30 days of a subscriber poll approving EAS. In consideration of Bell, GTE, PTA and IRRC comments, we will modify the proposed regulation so as to require that the application be filed within 60 days of the Commission's issuance of a Secretarial Letter directing Bell or GTE to implement interLATA EAS. The extended time period recognizes that where at one time the filings were routine, future filings may be contested and might require a significant increase in the time associated with preparing the filing.

8. Other Modifications

Upon review of the concerns of commentators, other minor language changes have been adopted to clarify the intent of the regulations. None of these modifications substantively revise the regulations as proposed.

9. Time Deadlines for 1993 Biennial Report

The proposed regulations impose certain time deadlines applicable to the detailed procedures established for preparation of the interLATA component of the biennial EAS report, which report is due on October 1 of each study year. The next report is due on or before October 1, 1993.

Because of the delay in promulgating these rules, it is now clear that certain of these deadlines may have to be postponed, including the deadline for submission of IXC data to the LECs for preparation of the interLATA component of the 1993 biennial EAS reports. Moreover, depending upon when these regulations are finalized, it may be necessary to delay the due date for the interLATA component of the report. If this is the case, the 1993 interLATA EAS report can be filed separately from the intraLATA component of the report which is due October 1, 1993.

We would expressly note that we fully intend and will assure that the 1993 interLATA EAS reports are completed and submitted under these regulations as soon as practicable. Accordingly, upon final publication of these regulations, we will issue a Secretarial Letter which sets forth an implementation schedule for preparation of the interLATA component of the 1993 EAS

report. In all other respects, these regulations will become effective immediately upon final publication and will be considered binding on all Pennsylvania telephone utilities in preparation of the 1993 traffic usage studies. In future reporting years, of course, interLATA and intraLATA will be presented in a consolidated report as envisioned by the regulations.

In view of the foregoing, after careful review of all comments, we find that the regulations attached as Annex A hereto are consistent with the public interest and shall be adopted at this time through final order. Accordingly, under Section 501 of the Public Utility Code, 66 Pa. C.S. §501, and Sections 201, et seq., of the Commonwealth Documents Law, 45 P.S. §§1201, et seq., and regulations promulgated thereunder at 1 Pa. Code §§7.1-7.9, we add regulations at 52 Pa. Code §§63.111-63.118 and §3.551(15) and delete regulations at 52 Pa. Code §§63.97(f) and (g) as discussed above and as set forth in Annex A attached to this order; THEREFORE,

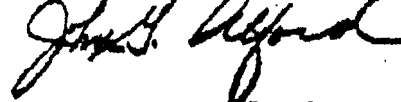
IT IS ORDERED:

1. That this order, together with Annex A, attached hereto, be published in the Pennsylvania Bulletin and become final upon such publication.
2. That the Secretary shall submit this order and Annex A to the Office of the Attorney General for preliminary review as to form and legality.

3. That the Secretary shall submit a copy of this order, together with Annex A, to the Governor's Budget Office for review of fiscal impact.

4. That the Secretary shall submit this order and Annex A for formal review by the designated standing committees of both Houses of the General Assembly and for formal review by the Independent Regulatory Review Commission.

BY THE COMMISSION,



John G. Alford
Secretary

(SEAL)

ORDER ADOPTED: March 11, 1993

ORDER ENTERED: MAR 17 1993

ANNEX A
TITLE 52. PUBLIC UTILITIES
Part 1
PUBLIC UTILITY COMMISSION
SUBPART C. FIXED SERVICE UTILITIES
CHAPTER 63. TELEPHONE SERVICE
SUBCHAPTER F. EXTENDED AREA SERVICE

§63.71. Definitions

* * * * *

Full billing and collection agreement - An agreement under which an interexchange carrier contracts with the local exchange carrier to bill and collect the revenues for message toll service calls placed by end users through the interexchange carrier as the presubscribed carrier.

LATA - A local access and transport area as designated by federal law.

Local exchange carrier - A public utility which is certificated to provide intraexchange telephone service.

Traffic study interexchange carriers - The five most active interexchange carriers in the service territory of a local exchange carrier as determined by a biennial review of interLATA access charge levels.

[Telephone utility - A jurisdictional public utility providing intraexchange telephone service.]

§63.72. Traffic usage studies.

[A] Each [telephone utility] local exchange carrier shall conduct a biennial interexchange toll traffic usage study. The study shall measure traffic over both intraLATA and interLATA routes. The study shall measure the average calling frequency between contiguous exchanges and between each exchange and each noncontiguous exchange having a toll rate center within 16 miles. On intraLATA routes only, [T]the study shall also measure the percentage of total access lines within the exchange over which the calls are placed. In measuring calling frequency, all calling classes shall be considered collectively, including those who have elected [alternatives to EAS] optional calling plans under Section 63.73 (relating to [alternatives to EAS].) optional calling plans). The study shall measure usage in a representative 30-day period within the 12-month period preceding the study. [The telephone utility] Each local exchange carrier shall prepare a report containing results of the study. The report is required to address only routes which equal or exceed 1.50 calls per access line per month. The report shall be filed with the Commission [and] with a copy to the Office of Consumer Advocate on or before October 1 of each survey year. The report will be treated as proprietary and shall be filed under protective seal. The Commission and the Office of Consumer Advocate will release the results of the report, upon request, on a route specific basis to customers or customer representatives. Traffic usage data for routes with less than 1.50 calls per access line per month [or less] shall be submitted by